

FOCUS

Share trading sharply increased over October both in terms of contracts (148,000 a day, +14.9%) as well as countervalue (daily average of 3.39 billion Euro, +18.6%). In terms of countervalue, November was the second best month of 2004 and seventh in the overall history of the Italian Stock Exchange. A comparison with November 2003 indicates a decrease in contracts (-14.7%), which is more than offset by a rise in countervalue (+17.0%). At the individual markets level, while the Stock Market grew to an average of 136,000 contracts and 3.31 billion Euro a day, the Nuovo Mercato (daily average of 12,000 contracts and 74 million Euro) and Expandi Market (300 contracts and 2.4 million Euro per day) remained at the good levels achieved in October. The average trade value increased from 23,700 to 24,600 Euro for Stock Market shares (daytime session), while it decreased from 8,100 to 6,100 Euro Nuovo Mercato trades.

Idem, the derivatives market, was up sharply in volume, and - with an overall daily average of 88,600 standard contracts (+24.3% over October levels, +36.4% over November 2003) - reached the second highest level ever (after the 90,400 of March 2003). Wednesday the 24th set a new record of standard contracts reached by stock futures in a single session (66,760), already determined on Friday the 10th. On the other hand, the new overall annual standard contracts record was achieved on Friday the 19th (151,114). During the period January-November, the overall daily average was equal to 70,700 standard contracts. Index options were up too, increasing to 9,700 standard contracts per day (+10.8% over October). Sharp increase in stock futures, up to a new historical record of 24,100 standard contracts a day (+177.2% over October and +1984.3% over November 2003). For the first time in the history of Idem, stock futures were the second most popular trading instrument. Stock options increased to an average of 38,700 standard contracts per day (+7.3% over October and +17.3% over November 2003).

November was characterised by growing share prices. The Mib index closed the month at 21,788, with a monthly variation of +3.0%, after having reached the new annual high of 21,964 (the highest level since May 2002) on Friday the 19th. Growth compared to values at the end of 2003 increased by +11.8% (+11.5% over the last 12 months). The continuous indices showed homogenous performance: +3.1% for Mibtel (+12.3% at the end of 2003), +3.3% for S&P/Mib (+10.1%), +1.9% for Midex (+6.2%). The MibSTAR index closed the month with a new historical high of 1,126, +2.9% over the end of October and up +19.8% compared to end-2003 (+18.8% over November 2003). Even the Nuovo Mercato closed the month with a sharp recovery, with Numex at +2.4%. The MEX index of the Expandi Market was stable during the month, demonstrating a progressive increase of 7.0% over year-end 2003. Volatility decreased slightly at 7.3% for the Stock Exchange and 12.7% for the Nuovo Mercato.

In November two new companies were listed: Panariagroup (Borsa - Star) on Friday the 19th and RGI (Expandi Market) on Thursday the 25th. The total number of companies listed, therefore, grew to 278 (279 at year-end 2003). Throughout the month, the primary market handled placements for the listing of Panariagroup, RGI and Geox shares (which began trading in December) and capital increases in Euphon (Nuovo Mercato) and I Viaggi del Ventaglio. The three IPOs collected a total of 80.4, 3.3 and 299.0 million Euros respectively, while the two increases in capital collected 11.2 and 26.7 million Euro (6.8% and 46.7% unexercised). Total deposits during the first 11 months of the year increased to 13.40 billion Euro, 2.34 of which directly to financing companies and 11.06 for shares sold by shareholders (9.34 billion of which as a result of privatisation).

Capitalisation rose from 537 to 551 billion Euro, reaching its highest level since May 2002. Specifically, the Stock Exchange increased from 525.1 to 538.5 billion Euro and the Nuovo Mercato from 6.6 to 6.7 billion Euro, while the Expandi Market was stable at 5.3 billion Euro. The GDP ratio (37.5% at the end of 2003) increased from 39.9% to 40.9%.

Trading of fixed-income instruments was stable for Government securities and slightly down for bonds. Government securities recorded a daily average of 497.3 million Euro (-0.5% over October), MOT bonds were at 34.7 million Euro (-3.9% over October, +17.3% over November 2003), and EuroMOT bonds were at 12.0 million Euro (-1.6% over October).

Trading of securitised derivatives (covered warrants and certificates) continued to recover, with a daily average number of contracts equal to 13,900 (-10.0% over October, -23.7% over November 2003) but with a clearly increasing countervalue of 89.6 million Euro (+24.5% over October and +64.3% over November 2003), the highest level since July 2002.

Significant growth in ETF trading continued, increasing to a new historical record both in terms of contracts (daily average 849) as well as countervalue (daily average 17.0 million Euro). Average contract size was down from 26,900 to 20,000 Euro, confirming the growing participation of retail investors. A new record for contracts in a single session (1,166) was established on Monday the 15th.

After Hours trading increased, with a daily average of 4,600 contracts (+3.9% over October) and 39.1 million Euro (+6.0% over October). The November countervalue was equal to the annual high reached in March.

STOCK MARKET INDICES

	30 DEC 2003	29 OCT 2004	30 NOV 2004	Var. % MoM	Var. % on 2003 end	Var. % on November 2003	Volatility latest month	Volatility latest 3 months
Mib (base 2.1.1975 = 1.000)	19 483	21 146	21 788	3.0%	11.8%	11.5%	7.3%	7.2%
last Mibtel (base 3.1.1994 = 10.000)	19 922	21 715	22 379	3.1%	12.3%	11.2%	7.3%	7.9%
last S&P/MIB (base 31.12.1997 = 24.402)	26 887	28 681	29 615	3.3%	10.1%	9.1%	8.4%	9.1%
last Mib30 (base 31.12.1992) 10.000)	26 715	28 884	29 821	3.2%	11.6%	10.6%	8.0%	8.8%
last Midex (base 30.12.1994 = 10.000)	26 347	27 449	27 977	1.9%	6.2%	4.9%	6.8%	7.5%
MibStar (base 29.12.2000 = 1.000)	940	1 094	1 126	2.9%	19.8%	18.8%	4.5%	4.2%
Numex (base 17.06.1999 = 1.000)	1 664	1 345	1 377	2.4%	-17.2%	-22.9%	12.7%	13.2%
last Numtel (base 17.06.1999 = 1.000)	1 582	1 277	1 311	2.7%	-17.1%	-24.1%	15.9%	14.8%
MEX (base 3.1.1979 = 1.000)	7 317	7 826	7 828	0.0%	7.0%	6.5%	1.9%	4.7%

LISTED COMPANIES NUMBER AND CAPITALISATION

	NUMBER (end of month)			End of Month CAPITALISATION (domestic companies)					
	30 DEC 2003	29 OCT 2004	30 NOV 2004	30 DEC 2003 euro m	29 OCT 2004 euro m	30 NOV 2004 euro m	Var. % MoM	Var. % on 2003 end	Var. % on November 2003
Borsa	225	223	224	474 554	525 109	538 551	2.6%	13.5%	13.6%
Nuovo Mercato	43	41	41	8 265	6 632	6 747	1.7%	-18.4%	-25.0%
Mercato Expandi	11	12	13	4 628	5 265	5 295	0.6%	14.4%	14.0%
Total	279	276	278	487 446	537 005	550 593	2.5%	13.0%	17.6%
<i>as % of GDP</i>				37.5%	39.9%	40.9%			

TRADING ACTIVITY

DAILY AVERAGES

	OCTOBER 2004		NOVEMBER 2004		Var. % MoM		Var. % on November 2003		JAN-NOV 2004	
	Trades no	euro m	Trades no	euro m	Trades no	euro m	Trades	Turnover	Trades no	euro m
Borsa shares ⁽¹⁾	117 946	2 765.0	135 780	3 307.3	15.1%	19.6%	-12.8%	19.2%	120 324	2 754.5
Nuovo Mercato shares ⁽¹⁾	10 871	87.1	12 300	74.0	13.1%	-15.0%	-32.0%	-36.1%	11 724	73.8
Mercato Expandi shares	324	2.0	316	2.4	-2.2%	20.8%	4.7%	37.3%	267	1.8
Shares Total ⁽¹⁾	129 141	2 854.1	148 397	3 383.8	14.9%	18.6%	-14.7%	17.0%	132 314	2 830.1
ETFs and Open-End Funds	604	16.2	849	17.0	40.6%	4.6%	48.6%	52.7%	488	11.8
Securitized Derivatives ⁽¹⁾	15 433	72.0	13 895	89.6	-10.0%	24.5%	-23.7%	64.3%	14 840	62.8
After Hours ⁽²⁾	4 440	36.9	4 612	39.1	3.9%	6.0%	-30.3%	-17.4%	4 611	33.1
EQUITIES TOTAL ⁽³⁾	167 140	2 952.7	168 294	3 503.1	0.7%	18.6%	-16.3%	17.8%	152 546	2 912.3
MOT - Government Bonds	8 634	499.8	8 027	497.3	-7.0%	-0.5%	-23.6%	-16.1%	9 186	551.4
MOT - Bonds	2 258	36.1	2 392	34.7	5.9%	-3.9%	4.9%	17.3%	1 888	27.8
EuroMOT - Bonds	492	12.2	462	12.0	-6.0%	-1.6%	-10.7%	-8.3%	555	13.9
FIXED INCOME TOTAL	11 384	548.2	10 882	544.0	-4.4%	-0.8%	-18.2%	-14.4%	11 629	593.1
Index Futures ⁽⁴⁾	12 642	1 804.5	11 556	1 709.6	-8.6%	-5.3%	-8.5%	2.1%	12 979	1 806.4
Index miniFutures ⁽⁴⁾	5 139	146.7	4 579	135.5	-10.9%	-7.6%	-37.5%	-30.3%	5 940	165.1
Index Options ⁽⁴⁾	8 714	604.9	9 659	700.2	10.8%	15.8%	-10.3%	0.6%	8 744	598.4
Stock Futures ⁽⁴⁾	8 688	32.7	24 082	86.2	177.2%	163.4%	1894.3%	1967.6%	6 601	30.4
Stock Options ⁽⁴⁾	36 064	127.7	38 713	155.3	7.3%	21.6%	17.3%	27.3%	36 467	137.7
EQUITY DERIVATIVES TOTAL ⁽⁴⁾	71 248	2 716.4	88 588	2 786.7	24.3%	2.6%	36.4%	3.5%	70 730	2 738.0

(1) Daily and After Hours sessions

(2) Figures already included in those of Borsa and NM shares and securitized derivatives

(3) It includes also trading of warrant, convertible bonds, right issues and closed-end funds. It doesn't include figures of participation to takeover sent through the electronic trading system.

(4) For equity derivatives number of standard contracts and notional turnover are reported.